

REPORT**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana**

**Annual Financial Statements
As of and for the Year
Ended December 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/26/07

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2006
With Supplemental Information Schedules

CONTENTS

	<u>Page No.</u>
ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
	<u>STATEMENT</u>
BALANCE SHEET	A 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	B 3
NOTES TO FINANCIAL STATEMENTS	4-11
SUPPLEMENTAL INFORMATION	
	<u>SCHEDULE</u>
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL-GENERAL FUND	I 12
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS	II 13
SCHEDULE OF FINDINGS AND MANAGEMENT'S CORRECTIVE ACTION PLAN	14

William R. Durden

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985) 839-4413
FAX (985) 839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District No.6
Varnado, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in Schedules I and II, as of and for the year ended December 31, 2006, for the Washington Parish Fire Protection District No. 6, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

The Washington Parish Fire Protection District No. 6 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2006. The effects of the departure from Generally Accepted Accounting Principles have not been determined.



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
August 9, 2006

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana

Balance Sheet
Governmental Funds
December 31, 2006

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS AND OTHER DEBITS			
ASSETS:			
Cash and cash equivalents	\$ 12,734	\$ -	\$ 12,734
Receivables, net	129,964	-	129,964
Other receivables	-	-	-
Prepaid expense	10,365	-	10,365
RESTRICTED ASSETS:			
Cash protest tax	31,634	-	31,634
OTHER DEBITS:			
Amount to be provided for retirement of long-term obligations	-	-	-
	-	81,964	81,964
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 184,697</u></u>	<u><u>\$ 81,964</u></u>	<u><u>\$ 266,661</u></u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 403	\$ -	\$ 403
Deferred revenue - protest tax	4,070	-	4,070
Deferred revenue - insurance proceed	3,154	-	3,154
Capital Leases payable	-	81,964	81,964
Total Liabilities	<u><u>7,627</u></u>	<u><u>81,964</u></u>	<u><u>89,591</u></u>
EQUITY			
Fund balance - unreserved	177,070	-	177,070
Total Equity	<u><u>177,070</u></u>	<u><u>-</u></u>	<u><u>177,070</u></u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 184,697</u></u>	<u><u>\$ 81,964</u></u>	<u><u>\$ 266,661</u></u>

See accompanying notes to the financial statements and accountant's report.

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES:			
Ad valorem taxes	\$ 125,686	\$ -	\$ 125,686
State revenue sharing	7,451	-	7,451
Insurance rebate	6,939	-	6,939
Insurance proceed	41,608	-	41,608
Fema revenue	1,657	-	1,657
Interest earned	1,400	-	1,400
Donation	600	-	600
Total Revenues	<u>185,341</u>	<u>-</u>	<u>185,341</u>
EXPENDITURES:			
Fuel, gas, and oil	3,100	-	3,100
Advertising	2,249	-	2,249
Dues	280	-	280
Insurance	12,858	-	12,858
Repairs and maintenance	7,856	-	7,856
Supplies	5,826	-	5,826
Capital Outlay	105,888	-	105,888
Utilities & Telephone	3,458	-	3,458
Office expense	1,344	-	1,344
Training	552	-	552
Other	572	-	572
Debt service:			-
Principal retirement		38,512	38,512
Interest	-	5,079	5,079
Total expenditures	<u>143,983</u>	<u>43,591</u>	<u>187,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	41,358	(43,591)	(2,233)
OTHER SOURCES (USES):			
Transfers (to) from other funds	(43,591)	43,591	-
Proceeds from capital leases	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUE	<u>(2,233)</u>	<u>-</u>	<u>(2,233)</u>
FUND BALANCE, JANUARY 1, 2006	<u>179,303</u>	<u>-</u>	<u>179,303</u>
FUND BALANCE, DECEMBER 31, 2006	<u>\$ 177,070</u>	<u>\$ -</u>	<u>\$ 177,070</u>

See accompanying notes to the financial statements and accountant's report.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6

Varnado, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2006

INTRODUCTION

As provided by Louisiana Revised Statute 40:1496.12B, the Fire Protection District No.6 of Washington Parish was created July 10, 1990, through a resolution passed by the Washington Parish Government. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 82 square miles in a portion of Wards 5, 7, 8 and 4 of Washington Parish. It serves approximately 1,800 people and several small businesses living and operating within the boundaries of the District. The District operates out of three fire stations, one located in the Village of Varnado at 26021 Highway 21, the second located at 63238 Highway 10 East, leased from Meckling Research, and the third is located at 21501 Highway 21 near Miles Lumber Co. The District has no compensated employees and operates with a volunteer staff of firefighters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

The District is a component unit of the Washington Parish Government, the financial reporting entity. The parish government is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND FINANCIAL STATEMENTS

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Currently, the District has only governmental type funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the current financial resources measurements focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest on cash deposits is recorded as earned. All other revenue items are considered to be measurable and available only when cash is received by the government.

Washington Parish Fire District No. 6 reports the following governmental funds:

General Fund

The general fund is the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

Debt Service Fund

The debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

D. DEPOSITS AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of the acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

E. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. INVENTORIES AND PREPAID ITEMS

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items fund financial statements.

G. RESTRICTED ASSETS

Certain proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes are classified as restricted assets because their use is limited to specified expenditures.

H. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed. No depreciation has been provided on general capital assets. All capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The costs of all assets acquired prior to 1989 have been valued using estimated historical cost.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

I. COMPENSATED ABSENCES

The District does not have any paid employees; therefore, it does not have a formal leave policy.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from Governmental Funds are reported in the debt service fund.

K. FUND EQUITY

In the fund financial statements, Governmental Funds report reservations of Fund Balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of Fund Balance represent tentative management plans that are subject to change.

L. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

M. ESTIMATES

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2 - LEVIED TAXES

In 2002, the District successfully passed a renewal of a 1993 special ad valorem tax of 10 mills upon property owners of the District. The assessment authorizes the levy of and collection of a special ad valorem tax of 10 mills for a period of ten (10) years, beginning with the year 2003, for the purpose of acquiring, constructing, maintaining and operating fire protection facilities and equipment including paying the cost of obtaining water for fire protection purposes and salaries of firemen, and all purposes incidental thereto.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6

Varnado, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2006

On November 3, 1998, the District passed a proposal for the extension of the original proposition to impose the existing special tax of ten (10) mills in the newly added areas of the District for a period of 10 years. For the period covered by this financial statement, the millage was set at 19.66.

2006 Assessed property value	10,106,620
Less: Homestead Exemption	(3,481,470)
Taxable value	<u>6,625,150</u>

	<u>General Fund</u>
19.66 Mill assessment	130,251
Less Pension Deduction	(4,357)
	<u>125,894</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2006, was adopted at the District's December 15, 2005 regular meeting. The budget was amended at the District's regular meeting on August 15, 2006. All appropriations lapse at year-end. Louisiana Revised Statute 39:1303 requires that "...all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in an open meeting and completed prior to the end of the fiscal year in progress..." The District did not adhere to the "Budget Act". The "Actual Expenditures" exceed the "Budget Expenditures" by 31.44%. The District did not budget the deferred revenues of the insurance proceed and related expenditures for the construction of fire station #2 that was destroyed by the hurricane.

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 2006, the District has cash and cash equivalents totaling \$44,368 as follows:

Non-interest bearing demand deposits	\$ -
Interest bearing demand deposits	<u>44,368</u>
Total cash and cash equivalents	<u>\$ 44,368</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2005, the District had \$44,368 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$44,368 of federal deposit insurance.

Even though the pledged securities are considered un-collateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 RESTRICTED CASH

The District has restricted cash of \$31,634 of tax received under protest.

NOTE 6 - RECEIVABLES

The following is a summary of receivables at December 31, 2006:

Ad valorem taxes - current year	\$ 125,894
Ad valorem taxes - prior year (paid under protest)	4,070
Total taxes receivable	<u>\$ 129,964</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Fire Trucks	\$ 396,721	\$ 55,510		\$ 452,231
Land	11,375			11,375
Fire Stations	91,812	45,608		137,420
Equipment	246,703	8,770		255,473
Construction -in-progress	4,000		(4,000)	-
TOTAL	<u>\$ 750,611</u>	<u>\$ 109,888</u>	<u>\$ (4,000)</u>	<u>\$ 856,499</u>

Of the deferred insurance proceed of \$44,762, the District spent \$41,608 for construction of fire station #2 which was completed in 2006 with an additional \$4,000 transfer from construction-in-progress. The District purchased a new fire truck and was donated a fire truck for the cost of transportation \$53,760 and \$1,750, respectively. The District purchased various equipments of \$8770.

NOTE 8 - LONG-TERM DEBT

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Lease Payable	120,476	-	38,512	81,964
TOTAL	<u>\$ 120,476</u>	<u>\$ -</u>	<u>\$ 38,512</u>	<u>\$ 81,964</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2006

Capital Lease Purchase Agreement:

On April 1, 2003, the District entered into another Municipal Lease-Purchase Agreement with Government Capital Corporation for the amount of \$192,890 to purchase a fire truck and pumper for cost of \$165,266 and \$27,624, respectively.

Both lease agreements contain a non-appropriation clause allowing the District to terminate the lease at the end of any fiscal year should funds for the succeeding fiscal period not be available for appropriation for lease payments. Notice must be given to lessor at least sixty days prior to the first day of such fiscal period for which appropriations cannot be made.

The annual requirements for lease amortize for debt outstanding at December 31, 2006, including interest of \$5,219 are as follows:

<u>Year Ending</u>	<u>Lease Payable</u>
2007	43,591
2008	43,591
	<u>\$ 87,182</u>

NOTE 9 - LITIGATION AND CLAIMS

As of December 31, 2006, there were no litigations or claims against the District.

NOTE 10 - RELATED PARTY TRANSACTIONS

There were no related party transactions requiring disclosure in the financial statements.

NOTE 11 - SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

SCHEDULE I

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana

Statement of Revenues, Expenditures
and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2006

	Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES:				
Ad valorem taxes	\$ 109,550	\$ 109,550	\$ 125,686	\$ 16,136
State revenue sharing	-	-	7,451	7,451
Insurance rebate	-	-	6,939	6,939
Insurance proceed	-	-	41,608	41,608
Fema revenue	-	-	1,657	1,657
Interest earned	-	-	1,400	1,400
Donation	-	-	600	600
Total Revenues	<u>109,550</u>	<u>109,550</u>	<u>185,341</u>	<u>75,791</u>
EXPENDITURES:				
Fuel, gas, and oil	1,900	3,000	3,100	(100)
Advertising	-	-	2,249	(2,249)
Dues	-	-	280	(280)
Insurance	12,050	12,050	12,858	(808)
Repairs and maintenance	9,300	7,300	7,856	(556)
Supplies	-	-	5,826	(5,826)
Capital Outlay	78,600	76,600	105,888	(29,288)
Utilities & Telephone	3,100	3,100	3,458	(358)
Office expense	1,800	2,200	1,344	856
Training	-	2,500	552	1,948
Other	-	-	572	(572)
Legal fees	2,800	2,800	-	2,800
Total expenditures	<u>109,550</u>	<u>109,550</u>	<u>143,983</u>	<u>(34,433)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	41,358	41,358
Fund transfers	(43,591)	(43,591)	(43,591)	-
EXCESS OF REVENUES AND FUND TRANSFERS	(43,591)	(43,591)	(2,233)	41,358
FUND BALANCE, JANUARY 1, 2006	<u>179,303</u>	<u>179,303</u>	<u>179,303</u>	-
FUND BALANCE, DECEMBER 31, 2006	<u>\$ 135,712</u>	<u>\$ 135,712</u>	<u>\$ 177,070</u>	<u>41,358</u>

See accountant's report.

Schedule II

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6

Varnado, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended December 31, 2005

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

See accountant's report.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6
Varnado, Louisiana

SCHEDULE OF FINDINGS
AND
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2005

Section I-Compliance with Certain Laws and Regulations:

Fire District No. 6 failed to file their financial report for December 31, 2006 within six months of the close of the entity's fiscal year as required by LRS 24:513. The District's treasurer was physically unable to complete the books & records for several months after the first of the year. As soon as he was able he completed the accounting records for 2006 and submitted them to the CPA.

Management's Corrective Action Plan:

The management of Fire District No. 6 will monitor the progress of the completion of the books and records at year end. If the treasurer is unable to provide the CPA with books and records in a timely manner they will take steps to obtain additional help in completing the books and records. They have ask the CPA office to apprise them of the status of receipt of the year-end books and records.

See accountant's report